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Byron Dorgan, Chairman

DEMOCRATIC POLICY COMMITTEE

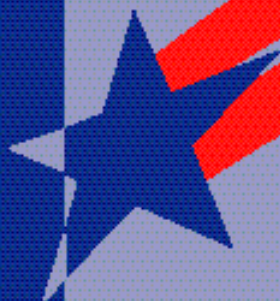
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SPECIAL REPORT

Democrats and Native Americans Working Together for a Better Future

DPC Staff Contact: Jeff Mitchell (202) 224-3232
DPC Press Contacts: Ranit Schmelzer (202) 224-2939
Barry Piatt (202) 224-2551



Summary

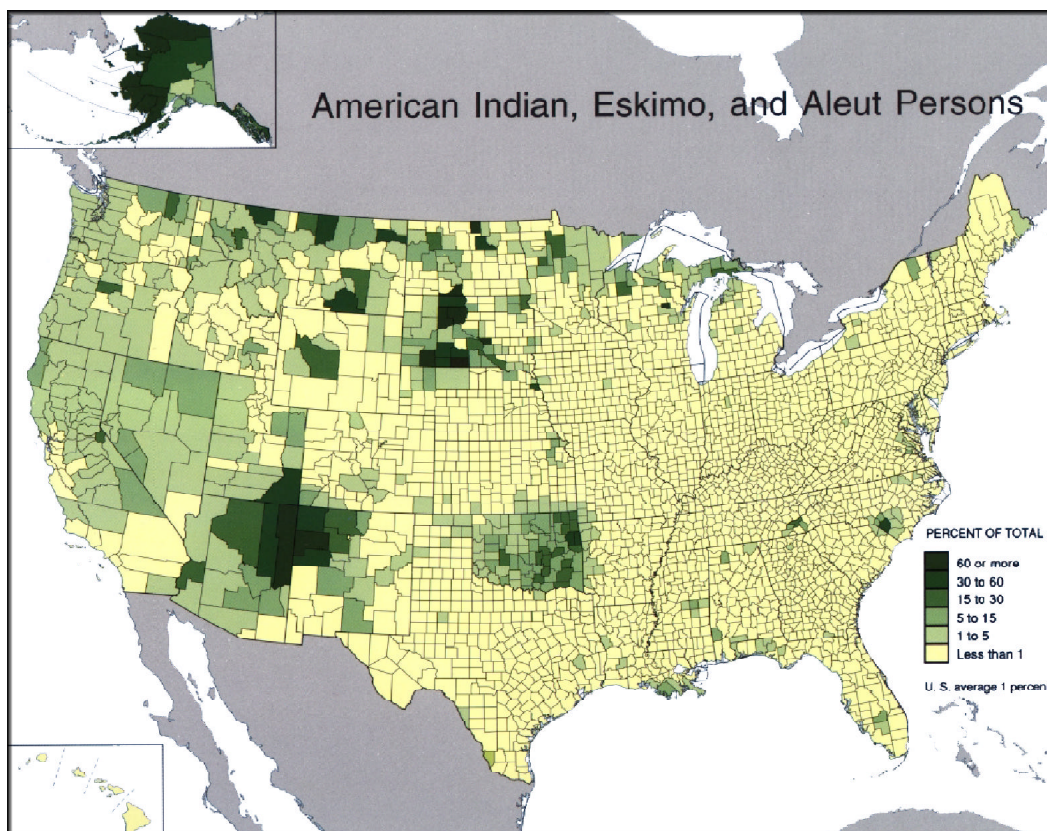
The proud heritage of American Indians, Eskimos, and Aleuts continues to add to our nation's richness and diversity. As we begin the 21st century, Native Americans are empowered to play an increasingly prominent role in our nation's political, economic, and cultural affairs.

As the United States is experiencing the largest budget surplus in history and also enjoying a booming economy, American Indian and Alaska Native communities continue to lag behind the rest of the U.S. in social, economic and educational attainment levels. Additional factors such as geographical isolation and an inadequately-developed physical infrastructure also highlight difficulties Native Americans face in working toward a better standard of living and improved quality of life.

Democrats support a government-to-government legislative agenda that addresses the needs and priorities of Native American families, and remain committed to the nation's trust obligations to the first Americans.

Background

According to 1990 census statistics, Native Americans make up approximately 0.9 percent or 2.4 million of the U.S. population. Native Americans reside in every state of the Union, mostly on reservations and in urban areas. Approximately one-half of all Native Americans live within “Indian Country” on 314 reservations in 554 nations, covering approximately 56 million acres, including trust lands, tribal lands, and Alaska Native villages. Approximately 63 percent of American Indians reside in urban areas—half of whom are concentrated in major western urban hubs or a relatively small number of cities bordering reservation boundary lines.



State Native American Populations

Alabama	14,803	Montana	55,615
Alaska	99,603	Nebraska	14,839
Arizona	256,183	Nevada	31,206
Arkansas	13,712	New Hampshire	2,423
California	308,571	New Jersey	22,166
Colorado	36,740	New Mexico	162,686
Connecticut	7,942	New York	75,886
Delaware	2,391	North Carolina	97,507
Florida	58,070	North Dakota	30,109
Georgia	18,150	Ohio	22,939
Hawaii	6,762	Oklahoma	263,360
Idaho	16,667	Oregon	44,998
Illinois	27,293	Pennsylvania	17,727
Indiana	14,675	Rhode Island	5,169
Iowa	8,456	South Carolina	9,291
Kansas	23,333	South Dakota	59,292
Kentucky	5,840	Tennessee	12,151
Louisiana	19,467	Texas	95,682
Maine	5,617	Utah	53,479
Maryland	15,779	Vermont	1,509
Massachusetts	15,046	Virginia	18,646
Michigan	59,601	Washington	102,940
Minnesota	57,522	West Virginia	2,585
Mississippi	10,129	Wisconsin	46,304
Missouri	20,644	Wyoming	10,608

Source: U.S. Census Bureau (ST-98-30).

July 1, 1998 Population Estimates

Native American Population Increasing

The Native American population will have a growing presence in our schools, workforce, businesses and communities in the 21st century. By 2020, it is projected that the Native American population will reach 3.1 million. The American Indian, Eskimo and Aleut population has grown more rapidly than the Nation's population as a whole in the 1990s. From 1995 to 2025, it is projected to be the third fastest growing population in all regions with the exception of the South, where it will rank fourth. Nearly half of the nation's American Indian population growth will occur in the West.

States with Largest Numbers

Although there is projected to be some shift in the Native American population between the states, the following states will continue to be ranked in the top five States based on population: Alaska, Arizona, California, New Mexico, and Oklahoma.

- 1998 — Alaska, California, Oklahoma, Arizona, New Mexico.
- 2025 — Alaska, Oklahoma, Arizona, New Mexico, California.

States with Largest Percentages

The ranking of the top five States in terms of percentages of Native Americans will not change significantly over the next 25 years.

- 1998 — Alaska, New Mexico, South Dakota, Oklahoma, Montana.
- 2025 — Alaska, South Dakota, New Mexico, Oklahoma, Montana.

Special Relationship of Indian Tribes with U.S. Government

“Sovereignty.” Indian tribes and Alaska Native villages retain powers of sovereignty and have a unique relationship with the federal government, affirmed by the Constitution, Supreme Court decisions, treaties, federal statutes, and Executive Orders. Federally recognized tribes possess most powers of government, including the power to make and enforce both civil

and criminal laws on tribal lands, establish tribal membership, license and regulate activities on reservation lands and enact taxation and zoning ordinances.

Entitlement to benefits, services, and protections. Federally recognized tribes are entitled to certain federal benefits, services and protections because of a special trust relationship with the U.S. government, which has its origins in treaties the United States entered into with Indian nations in exchange for land, natural resources, and relocation away from ancestral homelands. Tribal self-determination and self-governance are important concepts in federal Indian policy and are the objectives of major federal Indian legislation. There are many laws which accord tribes the authority to control and operate federally-funded and administered programs in accordance with the unique government-to-government relationship.

Recognition. Not all Americans who consider themselves American Indian or Alaska Native are entitled to federal benefits, services, and protections through these programs in the same way. Eligibility flows from the person's membership in a federally recognized tribe, and not from an individual's ethnic status. A person may be ethnically American Indian or Alaska Native, yet not legally considered a federally recognized and tribally enrolled American Indian or Alaska Native.

Democrats Working with Native Americans to Address Issues Critical to Tribes

Native Americans continue to be plagued with serious obstacles that Democrats have been working to address. Native Americans die younger, have lower educational attainment, and Native American communities have higher rates of unemployment and poverty. They also must deal with higher crime rates and alcohol- and drug-related problems. Democrats are committed to responding to the urgent needs of Native Americans.

Appropriations

Federal spending for Indian programs peaked in 1979 at a total of \$4.4 billion. By 1989, federal expenditures fell to \$2.5 billion. After President Clinton took office in 1993, federal funding for Native Americans began to

rise until 1995, when Republicans took control of the Congress. In 1994, the last year when Democrats controlled Congress, funding for Indian programs was approved at 4.5 percent or \$176 million above the President's request. Unfortunately, since Republicans assumed leadership in the 104th Congress, GOP appropriators have generally thwarted Democratic efforts for increases in Native American programs.

Tribal leaders continually express concern over the lack of sufficient funding currently provided by the federal government to meet many of their most basic needs. The National Academy of Public Administrators concluded that the budget cuts that the Bureau of Indian Affairs (BIA) endured in 1995 were impacting the BIA's ability to successfully meet its responsibilities to the tribes. The tribes contend that many of BIA's programs are not adequately funded. For example, the money for road maintenance ranges from 30 to 60 percent of actual requirements. One tribal chairman described a process in which the tribe took over programs only to face inadequate funding and shrinking budgets.

For FY 2001, the Clinton-Gore Administration requested \$9.4 billion for key new and existing programs to assist the Native American community. This proposed \$1.2 billion increase over current levels represents the largest increase in funding for American Indians in history.

Democrats will continue to address the serious concerns faced by Native Americans by fighting for budget principles and priorities responsive to the needs of Native Americans. Priority must be given to fostering education, ensuring adequate health care and housing, fighting crime with strong tribal justice systems, and finding ways to create jobs and economic opportunities for Native Americans.

Education

Education is a key and critical factor in achieving success, empowerment, and prosperity. As we begin this century, education will play a more important role in an increasingly competitive and technology-oriented job market. Unfortunately, Native American students have experienced low educational success when compared to non-Indian students, especially when measured in terms of standardized achievement test scores, frequency of drop-outs, graduation rates, and levels of educational attainment.

American Indians and Alaska Natives face unique barriers in their pursuit of a quality education. Eighty-seven percent of Native Americans attend public

schools supported by the U.S. Department of Education (DOE), three percent attend private schools, and ten percent attend BIA schools. Currently, 185 BIA elementary and secondary schools serve 52,000 Indian children on 65 reservations in some of the poorest and most rural areas of the country. BIA and Department of Defense schools are the only federally-operated schools for which the federal government is solely responsible.

Democratic-led efforts resulted in unprecedented increases in BIA education funding, including: \$357 million for school replacement and repair within the BIA construction account; \$489.5 million for School Operations; a \$2 million increase for operating grants for Tribally-Controlled Community Colleges; and a \$1 million increase for Administrative Cost Grants.

There are several basic areas in which Democrats believe they can help improve the quality of education for American Indians.

Increasing Indian involvement in Indian education. Democrats support changes to the *Elementary and Secondary Education Act* (ESEA) that would strengthen the role of Indian parents in their children's education and increase the number of Indian education professionals in Indian schools. Since Republicans refuse to let Congress vote to reauthorize ESEA, American Indians have been denied a chance to get further involved in the education of their own children.

Crumbling schools. Eighty-two percent of the BIA's building square footage is education space. The majority of the buildings are old and in poor condition. Of all BIA schools, almost a third have serious health and safety hazards that warrant extensive renovations or replacement. Similar problems face the Nation's public schools, all of which impact the education of our children.

Research has demonstrated that placing instructional programs in facilities that do not meet health and safety codes distract from the educational program. A growing body of research has linked student achievement and behavior to the physical conditions and overcrowding of their schools.

- A study in the District of Columbia found that students in school buildings that are in poor condition had achievement levels 11 percent below those of students in schools in excellent condition and six percent below those of students whose schools were in fair condition.

- Another study of high schools in rural Virginia examined the relationship between building conditions and student achievement. The study found that student scores on achievement tests were up to five percent lower in buildings with lower quality ratings, after adjusting for socioeconomic status.

Thanks to Democratic efforts, Congress approved an unprecedented \$357 million for school replacement and repair within the BIA construction account. At the time of publication, Democrats were still fighting for an additional \$75 million in the *Labor-HHS Appropriations bill* to repair and replace crumbling public schools that serve children from reservations.

On May 17, 2000, Senator **Johnson** introduced **S. 2580**, the *Indian School Construction Act*. The Act would have established an escrow account with a one time expenditure from Congress of \$30 million. The Act would have created a bonding authority to use existing tribal Facilities Improvement and Repair funds in the municipal finance market, which currently serves local governments across the nation.

Class size. Record enrollments in BIA schools and tribal colleges and universities compound the existing problem of aging school buildings. Short-term solutions are no longer sufficient to respond to the growing population of school-age children.

Democrats support legislation to provide for 100,000 qualified teachers and smaller classes. **S. 7**, the *Public Schools Excellence Act*, builds on last year's bipartisan budget agreement by authorizing a six-year effort to help local school districts continue to meet the goal of recruiting, hiring, and training 100,000 new, qualified teachers to reduce class sizes in grades one through three in the neediest communities. Up to 15 percent of the funds could be used to support activities such as professional development courses to improve overall teacher quality. If school districts already have reduced class sizes in the early grades, they could use the funds to reduce class sizes in later grades or to increase support for professional development of teachers.

Research has shown that the benefits of reducing class sizes are significant. Students from small classes are:

- more likely to graduate on time and less likely to drop out;

- more likely to have been enrolled in honors classes and graduate in the top ten percent of their class; and
- more likely to take SAT or ACT exams, indicating they plan to go to college.

Strengthening the Tribal College System. Tribal colleges and universities are doing a tremendous job of educating students and preparing the next generation of leaders. Nevertheless, they face difficult challenges. One of the biggest is attracting good faculty, because the schools are so remote and because they cannot match the salaries offered by most mainstream colleges and universities.

Senator **Daschle** introduced **S. 2978**, the *Tribal College or University Teacher Loan Forgiveness Act*, on July 27, 2000 to forgive up to \$15,000 in student loans for certified teachers who commit to teach at a Tribal College or University. Under this Act, 15 percent of a teacher's loans would be forgiven during the first two years of teaching at a Tribal College or University. Twenty percent of loans would be forgiven during the third and fourth year of teaching and 30 percent, up to \$15,000, would be forgiven during the fifth year.

In contrast to these Democratic proposals, Republicans have a three-pronged approach to Native American education: standards and accountability, block grants, and vouchers. While Democrats agree that increased standards and accountability can lead to a higher degree of academic success, block grants and vouchers could have a decidedly negative impact upon Indian schools. Block grants, for example, would not guarantee that tribes will get the money they need and could be used as an excuse to cut education funding. In addition, vouchers would only drain money from Indian schools rather than strengthening them. Democrats are committed to improving Indian schools, not giving up on them.

Law Enforcement

All Americans should feel safe in their communities, and in and around their own homes. Unfortunately, many Native American families, like mainstream American communities, must deal regularly with violent crime and illegal drugs in their communities, as well as with elevated rates of domestic violence. While crime rates nationally are at the lowest levels in a generation, homicide and other violent crime rates in Indian Country have increased to levels that often surpass those in large American cities.

Law enforcement services on tribal lands are delivered through the BIA. There is no state, local, or county enforcement on Indian reservations with the exception of federal officials if it is appropriate. There are approximately 175 chiefs of police (or their equivalents) serving at the Agency/reservation level. The current number of sworn officers in the BIA is approximately 2,000. Currently, Indian lands have only 1.3 police officers per 1,000 citizens, compared with an average of 2.9 officers per 1,000 citizens in non-Indian areas with similar population densities. Democrats believe we must work to build communities that are stronger, safer and more tolerant.

A common-sense response to crime. In the midst of rapidly increasing crime rates earlier in the decade, Democrats committed themselves to a common-sense principle: More officers on the street would mean fewer crimes in our neighborhoods. To make good on this commitment, Congressional Democrats passed the *Violent Crime Control and Law Enforcement Act of 1994*, which authorized the Community Oriented Policing Service (COPS) program and provided \$8.8 billion over six years to fund 100,000 new officers and \$35 million in funding for a special program to improve law enforcement in Indian Country, which is part of a larger, joint initiative between the Departments of Justice and Interior.

Community policing puts officers on the street. The COPS program is based on “community policing.” Community policing is a law enforcement strategy that gives officers the skills, technology and motivation to provide innovative solutions to community problems. A fundamental shift away from more traditional, more reactive policing, community policing emphasizes putting more officers on the beat, establishing community partnerships, decentralizing command functions, and promoting innovative strategies to prevent crime.

In FY 2000, the COPS Tribal Resources Grant Program (TRGP) awarded an estimated \$35.3 million to fund 211 officer positions. In addition, the COPS program provided \$17.1 million for training, uniforms, equipment, technology, and vehicles.

More Police Officers Needed in Indian Country



Source: U.S. Department of Justice, 2/5/98

Republicans try to zero out the COPS program. Despite the need for increases in law enforcement personnel in Indian Country, the proven track record of the COPS program, and widespread support from law enforcement officers, Republicans targeted the COPS program for elimination during the FY 2001 appropriations debate. House Republicans eliminated funding for tribal courts, juvenile justice, and detention facilities in their version of the *Commerce, State, Justice Appropriations bill*. Democratic efforts prevented this elimination and won \$1 billion for the COPS program. At the time of publication, the *Commerce, Justice, State Appropriations bill* was under a veto threat for other problems.

BIA law enforcement increases. Democrat-led efforts also won additional funds for BIA law enforcement. This included \$734.6 million for Tribal Priority Allocations, \$33.9 million over the FY-2000 enacted level.

Health Care

Democrats work to address health care concerns unique to Native Americans. All Americans and their families should be able to count on access to quality health care when they need it. This is especially critical for Native Americans, who face a wide range of health care problems, compounded by and contributing to a high level of poverty. By all measures, the health status of Native Americans is far worse than that of every other group of Americans. The following statistics have been reported by the Indian Health Service (IHS).

- **Life expectancy.** Native Americans die at younger ages than the general population—on average five years earlier than other Americans. A 1997 study by Harvard University and the Centers for Disease Control found that Indian populations in the U.S. have the lowest life expectancies in the country, for both men and women. These are also the lowest of any Nation in this hemisphere except Haiti.
- **Infant deaths.** Babies of American Indian mothers are more likely to die before their first birthdays than babies of Americans of any other race. The top two causes of death include sudden infant death syndrome (SIDS) and congenital anomalies.
- **Fetal alcohol syndrome.** One in four Native American women of childbearing age gives birth to infants with Fetal Alcohol Syndrome (FAS) or Fetal Alcohol Effect (FAE). FAS/FAE rates among Native Americans are six times higher than the national average.
- **Alcoholism.** American Indians are 579 percent more likely to die from alcoholism than are other Americans.
- **Tuberculosis.** Tuberculosis strikes down Native Americans 475 percent more often than the national mortality rate for this disease.
- **High-risk for many diseases.** Native Americans are in high-risk categories for many diseases such as cancer, hypertension and diabetes. For example, the American Indian mortality rate for diabetes exceeds the national average by 139 percent.

- **Pneumonia and influenza.** Native Americans are 61 percent more likely to die of pneumonia and influenza than the average American.
- **Suicide.** The rate of suicide by Native Americans is 70 percent greater than the national average.
- **High proportion of disabilities.** From October 1994 to January 1995 alone, about one in three American Indians and Alaska Natives 15 and older reported having a disability. For those 65 or older, the odds of having a severe disability increased to one in two.
- **Nutritional standards.** Democratic Senators have requested that the President improve Indian nutritional standards through the annual purchase and distribution of bison meat in commodity foods program.

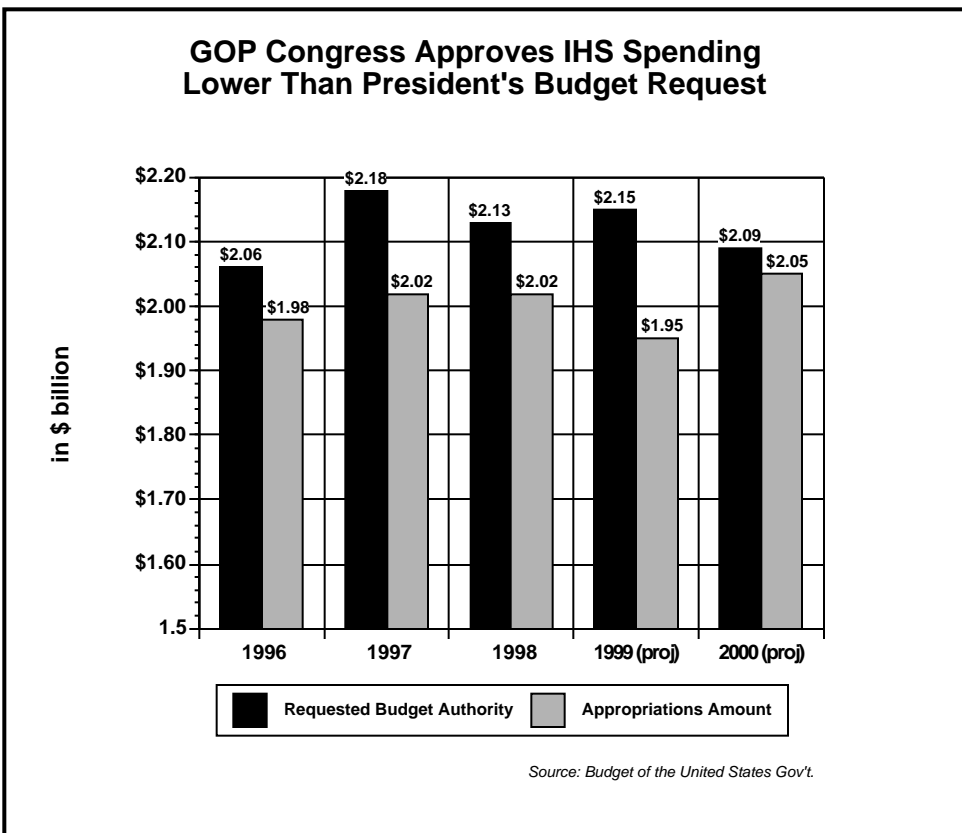
Indian Health Service. The Indian Health Service (IHS) works to improve the health of Native Americans and Alaska Natives and to increase Native Americans' capability to manage their health programs. IHS serves about 1.5 million people living on or near Indian reservations, including urban Indians who often have to travel back to reservations to receive health services.

IHS prevention and treatment programs have often been significantly underfunded. IHS spends about \$1,578 per person, compared to the \$3,920 spent on the average non-military American. While overall health spending has gone up significantly from FY 1975 through the current year — by nearly \$100 billion — the IHS budget has increased by little more than \$1.2 billion in the same period.

FY 2001 increases to IHS. Bipartisan efforts led by Democrats and the White House resulted in unprecedented increases in IHS funding. IHS received a total of \$2.5 billion in funding for FY 2001. This included the following increases: \$8 million for increased dental services; \$40 million for Contract Health Services; \$1.8 million for the Community Health Representative Program; \$2.1 million for the Urban Indian Health Program; and \$10 million for new and expanded IHS Self-Determination/Self-Governance contracts and compacts.

Missed opportunities. Despite these gains, the *Indian Health Care Improvement Act* (IHCIA) has been blocked by Republicans throughout this Congress. IHCIA reauthorizes a law that provides for health services for American Indians and Alaska Natives which expired at the end of this fiscal year. After complaints about cost estimates, Republicans held up this legislation-preventing its passage in this Congress.

Several other outstanding Indian health issues remain in the closing days of this Congress, including: health research, prescription drugs for Indian seniors, and long-term health care.



Economic Development in Indian Country

Democrats seek to improve economic security. Democrats are helping to make the American Dream a reality for many families. Unfortunately, many Native Americans are caught in a cycle of poverty that prevents them from becoming self-sufficient. Many Native Americans lack the resources and physical infrastructure to improve their employment status, find jobs, and make a livable wage.

- **Persistent poverty.** Poverty in Indian Country is a persistent, everyday reality. One-half of those on reservations and trust lands live in poverty. Overall, one in three Native Americans lives in poverty.
- **High poverty among families.** The number of Indian families below the poverty line is nearly three times the national average.
- **Poor female-headed households.** One-half of all Indian households headed by a single parent lives in poverty. In 1997, 27 percent of American Indian, Eskimo and Aleut households were headed by single women.
- **Low-income children.** Approximately 38 percent of Indians from 6 to 11 years of age live below the poverty level, which is more than twice the national average.
- **Low earnings for families.** For every \$100 earned by other American families, Indian families earn \$62.
- **Smaller incomes for workers.** Among Native Americans who have jobs, nearly a third earned less than \$10,000 a year in 1995.
- **High unemployment.** Unemployment in Indian Country ranges from 30 percent to 90 percent.
- **Education.** The high school completion rate in Indian Country for people aged 20 to 24 was 12.5 percent below the national average. Low education levels hinder Native American efforts to maintain and build a qualified, eligible work force on reservation communities.
- **Housing shortage.** Critical housing shortages hamper the ability to recruit and retain professionals in American Indian communities.

- **Tax fairness.** Democrats support efforts such as **H.R. 4556** to treat tribal governments in the same manner as other government entities on taxes. This would not only increase tribal sovereignty, but would benefit each of the federally recognized tribes across the country.
- **Phone/Computer access.** Efforts to close the “digital divide” are not reaching Indian Country fast enough. In fact, only 16 percent of households on some reservations have telephones.

New Markets Initiative

The United States is experiencing one of the greatest economic expansions in history. This prosperity is not, however, reaching everyone. Native American reservations, as well as other urban and rural communities, continue to be held back by high unemployment; shortages of services like day care centers, grocery stores, and other retail facilities; and perhaps most importantly, a chronic shortage of private investment capital needed to stimulate and support growing local economies.

Democrats support the New Markets Initiative. In August 1999, building on the work of the Clinton Administration, Congressional Democrats introduced the New Markets Initiative, which is intended to promote investment, job creation, and economic growth in low-income rural and urban areas across the country. The legislation is aimed at expanding economic opportunity to all parts of the country by broadening access to investment capital.

Through new tax incentives and investment tools, Democrats believe this legislation will help attract capital that entrepreneurs and businesses need to start and expand enterprises and create new jobs in low- and moderate-income communities. These tools will help America develop new markets in Native American communities and other places where corporations have rarely, if ever, done business before.

The New Markets Initiative includes:

- **S. 1526**, introduced by Senator **Rockefeller** and Senator **Robb**, would amend the *Internal Revenue Code Act of 1986* to provide tax credits to taxpayers who invest in entities that provide capital to create new markets in low-income communities;
- **S. 1565**, *America’s Private Investment Companies Act*, which was introduced by Senator **Sarbanes**, would license private-for-

profit community development entities to make investments for large-scale business developments that benefit low-income communities; and

- **S. 1594**, the *Community Development and Venture Capital Act of 1999*, which was introduced by Senator **Kerry**, would encourage venture capital investment in smaller enterprises located within urban and rural areas through the establishment of a venture capital program to provide marketing, management, and technical assistance to smaller enterprises financed, or expected to be financed, by New Market Venture Capital companies.

Telecommunications

Senator **Baucus** introduced **S. 3114**, the *Native American Telecommunications Improvement and Value Enhancement Act*, to provide telecommunications infrastructure for federally recognized tribes. The bill would make a \$1 billion revolving loan fund available for either wireline or wireless improvements.

Unemployment

Democrats support a bipartisan effort to pass **S. 1726**, the *Indian Tribal Government Unemployment Compensation Act Tax Relief Amendments*. This bill would amend the tax code to treat employment by federally recognized tribal governments, for unemployment compensation tax purposes, in the same manner as employment by state or local units of government or nonprofit organizations.

Conclusion

It is unfortunate that many Native Americans continue to face hardships in addressing basic, everyday needs. All Americans should have access to quality and affordable health care, a good education, safe communities, and economic security. Democrats will continue to work with Native Americans to level the playing field and to help achieve a better quality of life for the elderly, children, and future generations. Democrats are committed to a legislative agenda that addresses the needs and priorities of Native American families and fulfills our nation's obligations to the first Americans, by honoring the treaties and responsibilities of the federal government.